INTERNATIONAL MARKET FOR BUTTER

45

1. Drawing on the GATT summary tables produced for the Committee of the Protocol regarding Milkfat (DPC/F/W/1 Rev. 4 of 26 March 1981) and later GATT Questionnaire returns, the following table shows the principal butter exporters' trade in 1979 and 1980. Outside these countries only small sporadic exports would occur.

TABLE 1 : Butter Exports from Main Exporters

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY ____ DATE 4/1/82
RDS ☐ or XDS ☐ EXT. DATE ____
TS AUTH. ____ REASON(S) ____
ENDORSE EXISTING MARKINGS
DECLASSIFIED ☐ REL ASABLE ☐
RELEASE DENIED ☐
PA or FOI EXEMPTIONS ____

	1979	1980	1981 (est)
	('000 tonnes)		
Australia	19	16	5
Eastern Europe (1)	12	11	12
EEC	296	329	300
New Zealand (2)	176	157	158
Other Western Europe (3)	33	24	30
Other countries (4)	6	6	6
Total:	542	543	511

Notes

(1) Hungary and Romania
(2) Amended according to latest official statistics
(3) Sweden, Norway, Finland, Austria
(4) South Africa, United States of America, Uruguay, Argentina

2. From the total international market the following broad break-down needs to be made to isolate the accessible international market outside Eastern Europe by removing

(i) New Zealand's quota trade to the EEC and
(ii) Eastern European/USSR trade

TABLE II : Accessible International Market

		1979		1980		1981 (est)	
			('000 tonnes)				
Total Export trade			542		543		511
(i) less NZ to EEC	127			97		94	
			415		446		417
(ii) less East. Europe/USSR trade:							
from New Zealand	22			37		34	
from EEC	155			186		160	
from other West. Europe	14			12		14	
Eastern Europe	12			11		12	
	203			246		220	
Remainder:		212		200		197	

3. The remainder, i.e. the accessible international butter market outside Eastern Europe, comprises exports originating as follows from:

TABLE III : Suppliers :	1979	1980	1981 (est)
	('000 tonnes)		
Australia	19	16	5
EEC	141	143	140
New Zealand	27	23	30
Other Western Europe	19	12	16
Other countries	6	6	6
Total:	212	200	197

4. Excluding Eastern Europe the 200,000 tonne available international butter market breaks down into the following approximate destination regional groupings (1979 basis; available national statistics) :

TABLE IV : Regional Destinations	('000 tonnes)
Western Europe (excluding intra-EEC trade)	30
Africa	61
West Asia	75
East Asia	13
North America	3
Latin America	22
Oceania	8
Total:	212

This pattern has not changed to any marked extent since 1979.

5. Looking at each of the regions however shows no real scope for the entry of USA supplies.

(i) Western Europe: Trade is generally of a small, long-established intra-country nature, as shortfall and surpluses are adjusted among neighbouring states.

(ii) Africa: Trade at current levels has been a recent development, and primarily involves EEC exports to North Africa.

(iii) West Asia: The single biggest market is Iran, with well over half the trade. Business in other markets tends to be in branded consumer presentations. The EEC is the dominant supplier.

(iv) Latin America: There is branded trade in the Caribbean regional markets plus intra-trade between neighbouring states.

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